

**BYLAWS**  
**OF**  
**CLUB MAC OF MONTEREY**  
**A California Nonprofit Mutual Benefit Corporation**

**ARTICLE I: NAME**

**Section 1. NAME OF THE CORPORATION.** The name of this corporation is CLUB MAC OF MONTEREY.

**ARTICLE II: OFFICES OF THE CORPORATION**

**Section 1. PRINCIPAL OFFICE.** The principal office for the transaction of the activities, affairs, and business of the corporation is located at 316 Spruce Avenue, Pacific Grove, CA 93950 with the mailing address of P.O. Box 222988, Carmel, CA 93922, County of Monterey, California. The Board of Directors may change the principal office from one location to another. Any change of location of the principal office shall be noted by the Secretary on these Bylaws opposite this Section, or this Section may be amended to state the new location.

**Section 2. OTHER OFFICES.** The Board may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to conduct its activities.

**ARTICLE III: PURPOSES AND LIMITATIONS**

**Section 1. GENERAL PURPOSE.** This corporation is a nonprofit mutual benefit corporation organized under the California Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law.

**Section 2. SPECIFIC PURPOSES.** Within the context of the general purposes stated above, this corporation shall be to instruct and train individuals for the purpose of improving their capabilities in regard to, and through the use of, the personal computer by means of lectures, demonstrations, question-and-answer sessions, classes, and the sharing of information among members and other interested parties.

**Section 3. LIMITATIONS.** Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purpose of this corporation.

All of the objectives of this corporation shall be pursued in a manner consistent with its status as a tax-exempt nonprofit organization.

## ARTICLE IV: MEMBERS

### Section 1. CORPORATIONS WITH MEMBERS.

#### a. Qualification and Rights of Membership

(1) **Classes and Qualifications.** This corporation shall have one class of members. Any person, regardless of age, color, sex, religion, political view, or origin of birth, who is dedicated to the purposes of this corporation shall be eligible for membership on approval of the membership application by the Board and the payment of such dues and fees as the Board may fix from time to time.

(2) **Voting Members.** All members shall have the right to vote, as set forth in these Bylaws, on the election of directors, on the disposition of all or substantially all of the assets of the corporation, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the corporation. In addition, those members shall have all rights afforded members under the California Nonprofit Mutual Benefit Corporation Law. If the corporation is dissolved, those members shall receive a pro rata distribution of all assets, exclusive of those held in charitable trust, remaining after payment or provision for payment of the obligations and debts of the corporation and provision for any other payment required under applicable law.

(3) **Other Persons Associated With the Association.** The corporation may refer to persons or entities associated with it as "members" even though such persons or entities are not voting members as set forth in Section 1.a.(2) of these Bylaws, and no such reference shall constitute anyone a member within the meaning of Section 5056 of the California Corporations Code unless that person or entity shall have qualified for such a voting membership under Section 1.a.(2) of these Bylaws. References in these Bylaws to members shall mean members as defined in Section 5056 of the California Corporations Code; i.e., the members of the class set forth in Section 1.a.(1) of these Bylaws. By amendments of its Articles of Incorporation or of these Bylaws, the corporation may grant some or all the rights of a member of any class, as set forth in these Bylaws, to any person or entity that does not have the right to vote on any of the matters specified in Section 1.a.(2) of these Bylaws, but no such person or entity shall be a member within the meaning of Section 5056 of the California Corporations Code.

b. **Dues, Fees, and Assessments.** Each member must pay, within the time and on the conditions set by the Board, the dues, fees, and assessments in amounts to be fixed from time to time by the Board. The dues, fees, and assessments shall be equal for all members of each class, but the Board may, in its discretion, set different dues, fees, and assessments for each class.

c. **Good Standing.** Those members who have paid the required dues, fees, and assessments in accordance with these Bylaws and who are not suspended shall be members in good standing.

d. **Termination and Suspension of Membership**

(1) **Causes of Termination.** A membership shall terminate on occurrence of any of the following events:

(a) Resignation of a member, on reasonable notice to the corporation;

(b) Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the Board;

(c) Failure of a member to pay dues, fees, or assessments as set by the Board within sixty (60) days after they become due and payable;

(d) Occurrence of any event that renders a member ineligible for membership, or failure to satisfy membership qualifications;

(e) Expulsion of the member under Section 1.d.(3) of these Bylaws, based on the good faith determination by the Board, or a committee or person authorized by the Board to make such determination, that the member has failed in a material and serious degree to observe the rules of conduct of the corporation, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the corporation.

(2) **Suspension of Membership.** A member may be suspended, under Section 1.d.(3) of these Bylaws, based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the corporation's rules of conduct, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the corporation.

A person whose membership is suspended shall not be a member during the period of suspension.

(3) **Procedure for Expulsion or Suspension.** If grounds appear to exist for expulsion or suspension of a member under Sections 1.d.(1) or 1.d.(2) of these Bylaws, the procedure set forth below shall be followed:

(a) The member shall be given fifteen (15) days' prior notice of the proposed expulsion or suspension and the reasons for the proposed expulsion or suspension. Notice shall be given by any method reasonably calculated to provide actual

notice. Any notice given by mail shall be sent by first-class or registered mail to the member's last address as shown on the corporation's records.

(b) The member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed expulsion or suspension. The hearing shall be held, or the written statement considered, by the Board or by a committee or person authorized by the Board to determine whether the expulsion or suspension should take place.

(c) The Board, committee, or person shall decide whether or not the member should be expelled, suspended, or sanctioned in some other way. The decision of the Board, committee, or person shall be final.

(d) Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice, must be commenced within one (1) year after the date of the expulsion, suspension, or termination.

e. **Transfer of Memberships.** A membership or any right arising from membership may not be transferred to another person. Subject to Section 5 of these Bylaws, all rights of membership cease on the member's death or dissolution if a partnership or corporate member.

f. **Meetings of Members**

(1) **Place of Meeting.** Meetings of the members shall be held at any place within or outside California designated by the Board or by written consents of all persons entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, members' meetings shall be held at the corporation's principal office.

(2) **Annual Meeting.** An annual members' meeting shall be held on the second Tuesday in May of each year at 10:00 o'clock a.m., unless the Board fixes another date or time and so notifies members as provided in Section 1f(4) of these Bylaws. If the scheduled date falls on a legal holiday, the meeting shall be held the next full business day. At this meeting, directors shall be elected and any other proper business may be transacted, subject to Sections 1f(4)(b) and 1f(5) of these Bylaws.

(3) **Special Meetings**

(a) **Persons Authorized To Call.** A special meeting of the members for any lawful purpose may be called at any time by the Board or the Chairman of the Board, if any, or by the President, or by 5 percent or more of the members.

(b) **Calling Meetings.** A special meeting called by any person (other than the Board) entitled to call a meeting shall be called by written request,

specifying the general nature of the business proposed to be transacted, and submitted to the Chairman of the Board, if any, or the President or any Vice President or the Secretary of the corporation. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, in accordance with Sections 1f(4)(a) and 1f(4)(b) of these Bylaws, stating that a meeting will be held at a specified time and date fixed by the Board, provided, however, that the meeting date shall be at least thirty-five (35) but no more than sixty (60) days after receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting time at which a meeting of members may be held when the meeting is called by the Board.

(c) **Proper Business of Special Meeting.** No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

(4) **Notice Requirements for Members' Meetings**

(a) **General Notice Requirements.** Whenever members are required or permitted to take any action at a meeting, written notice of the meeting shall be given, in accordance with Section 1f(3)(b) of these Bylaws, to each member entitled to vote at that meeting. The notice shall specify the place, date, and hour of the meeting and, (1) for a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) for the annual meeting, those matters that the Board, at the time notice is given, intends to present for action by the members, but except as provided in Section 1f(b) of these Bylaws, any proper matter may be presented at the meeting. The notice of any meeting at which directors are to be elected shall include the names of all persons who are nominees when notice is given.

(b) **Notice of Certain Agenda Items.** Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:

- (i) Removing a director without cause;
- (ii) Filling vacancies on the Board;
- (iii) Amending the Articles of Incorporation;
- (iv) Approving a contract or transaction between the corporation and one or more directors, or between the corporation and any entity in which a director has a material financial interest;

(v) Electing to wind up and dissolve the corporation;

or

(vi) Approving a plan of distribution of assets, other than money, not in accordance with liquidation rights of any class or classes as specified in the Articles or Bylaws, when the corporation is in the process of winding up.

(c) **Manner of Giving Notice.** Notice of any meeting of members shall be in writing and shall be given at least ten (10) days but no more than ninety (90) days before the meeting date. The notice shall be given either personally or by first-class, registered, or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to each member entitled to vote, at the address of that member appearing on the books of the corporation or at the address given by the member to the corporation for purposes of notice. If no address appears on the corporation's books and no address has been so given, notice shall be deemed to have been given if either (1) notice is sent to that member by first-class mail or telegraphic or other written communication to the corporation's principal office or (2) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

(d) **Affidavit of Mailing Notice.** An affidavit of the mailing of any notice of any members' meeting, or of the giving of such notice by other means, may be executed by the Secretary, Assistant Secretary, or any transfer agent of the corporation, and if so executed, shall be filed and maintained in the corporation's Minute Book.

#### (5) **Quorum**

(a) **Percentage Required.** Ten percent (10%) of the voting power represented in person or by proxy shall constitute a quorum for the transaction of business at any meeting of members. Provided, however, that if any regular or annual meeting is actually attended in person or by proxy by less than one third of the voting power, the only matters that may be voted on are those of which notice of their general nature was given under the first and second sentence of Section 1f(4) of these Bylaws.

(b) **Loss of Quorum.** Subject to Section 1f(5)(a) of these Bylaws, the members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, even if enough members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

(6) **Adjournment and Notice of Adjourned Meeting.** Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than forty-five (45) days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the

meeting. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.

**(7) Voting**

(a) **Eligibility to Vote.** Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, members entitled to vote at any meeting of members shall be members in good standing as of the record date determined under Sections 3(a) and 3(b) of these Bylaws.

(b) **Manner of Casting Votes.** Voting may be by voice or ballot, except that any election of directors must be by ballot if demanded by any member at the meeting before the voting begins.

(c) **Voting.** Each member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the members.

(d) **Approval by Majority Vote.** If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be the act of the members, unless the vote of a greater number of voting by classes is required by the California Nonprofit Mutual Benefit Corporation Law or by the Articles of Incorporation.

**(8) Waiver of Notice or Consent**

(a) **Written Waiver or Consent.** The transactions of any members' meeting, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (1) a quorum is present either in person or by proxy, and (2) either before or after the meeting, each member entitled to vote, who is not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the Minutes. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of any meeting of members, except that if action is taken or proposed to be taken for approval of any of those matters specified in Section 1f(4)(b), the waiver of notice, consent, or approval shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the Minutes.

(b) **Waiver by Attendance.** A member's attendance at a meeting shall also constitute a waiver of notice of and presence at that meeting, unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

## **Section 2. ACTION WITHOUT A MEETING.**

**a. Action by Unanimous Written Consent.** Any action required or permitted to be taken by the members may be taken without a meeting, if all members consent in writing to the action. The written consent or consents shall be filed with the Minutes of the proceedings of the members. The action by written consent shall have the same force and effect as the unanimous vote of the members.

**b. Action by Written Ballot Without a Meeting.** Any action, except election of directors, that may be taken at any meeting of members may be taken without a meeting by complying with Sections 2b(1), 2b(2), 2b(3) and 2b(4) of these Bylaws.

(1) **Solicitation of Written Ballots.** The corporation shall distribute one written ballot to each member entitled to vote on the matter. Such ballots shall be mailed or delivered in the manner required by Section 1f(4)(c) of these Bylaws. All solicitations of votes by written ballot shall (1) indicate the number of responses needed to meet the quorum requirement, (2) with respect to ballots other than for election of directors, state the percentage of approvals necessary to pass the measure or measures, and (3) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall (1) set forth the proposed action, (2) provide the members an opportunity to specify approval or disapproval of each proposal, and (3) provide a reasonable time in which to return the ballot to the corporation. If the corporation has 100 or more members, any written ballot distributed to 10 or more members shall provide, subject to reasonable specified conditions, that if the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance with that specification.

In any election of directors, a written ballot that a member marks "withhold," or otherwise marks in a manner indicating that authority to vote is withheld, shall not be voted either for or against the election of a director.

(2) **Number of Votes and Approvals Required.** Approval by written ballot shall be valid only when (1) the number of votes cast by ballot (including those ballots that are marked "withhold" or otherwise indicate that authority to vote is withheld) within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and (2) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting.

(3) **Revocation.** A written ballot may not be revoked.

(4) **Filing.** All written ballots shall be filed with the Secretary of the corporation and maintained in the corporate records for at least three (3) years.

## **Section 3. RECORD DATE FOR NOTICE, VOTING, WRITTEN BALLOTS,**

## **AND OTHER ACTIONS.**

a. **Record Date Determined by Board.** For purposes of determining the members entitled to notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights with respect to any lawful action, the Board may fix, in advance, a record date. The record date so fixed

(1) for notice of a meeting shall not be more than ninety (90) or less than ten (10) days before the date of the meeting;

(2) for voting at a meeting shall not be more than sixty (60) days before the date of the meeting;

(3) for voting by written ballot shall not be more than sixty (60) days before the day on which the first written ballot is mailed or solicited; and

(4) for any other action shall not be more than sixty (60) days before that action.

b. **Record Date Not Determined by Board**

(1) **Record Date for Notice or Voting.** If not otherwise fixed by the Board, the record date for determining members entitled (1) to receive notice of a meeting of members shall be the business day next preceding the day on which notice is given or, if notice is waived, the business day next preceding the day on which the meeting is held and (2) to vote at the meeting shall be the day on which the meeting is held.

(2) **Record Date for Action by Written Ballot.** If not otherwise fixed by the Board, the record date for determining members entitled to vote by written ballot shall be the day on which the first written ballot is mailed or solicited.

(3) **Record Date for Other Actions.** If not otherwise fixed by the Board, the record date for determining members entitled to exercise any rights with respect to any other lawful action shall be the date on which the Board adopts the resolution relating to that action, or the 60th day before the date of that action, whichever is later.

c. **Members of Record.** For purposes of Sections 3(a) and 4(b), a person holding a membership at the close of business on the record date shall be a member of record.

## **Section 4. PROXIES.**

a. **Rights of Members.** Each person entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the person and filed with the Secretary of the corporation. A proxy shall be deemed

signed if the member's name is placed on the proxy (whether by manual signature, type-writing, telegraphic transmission, or otherwise) by the member or the member's attorney in fact.

b. **Form of Solicited Proxies.** If the corporation has 100 or more members, any form of proxy distributed to 10 or more members shall afford an opportunity on the proxy to specify a choice between approval and disapproval of each matter or group of related matters and shall provide, subject to reasonable specified conditions, that when the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance with that specification. In any election of directors, any form of proxy that a member marks "withhold," or marks otherwise in a manner indicating that the authority to vote for the election of directors is withheld, shall not be voted either for or against the election of a director.

c. **Requirement That General Nature of Subject of Proxy Be Stated.** Any revocable proxy covering matters for which a vote of the members is required, including amendments to the Articles of Incorporation; amendments to the Articles or Bylaws changing proxy rights; removal of directors without cause; filling vacancies on the Board of Directors; the sale, lease, exchange, conveyance, transfer, or other disposition of all or substantially all of the corporate assets unless the transaction is in the usual and regular course of the corporation's activities; the principal terms of a merger or the amendment of a merger agreement; the election to dissolve the corporation; contracts or transactions between the corporation and one or more directors or between the corporation and an entity in which the director has a material financial interest; or a plan of distribution of assets other than money to members when the corporation is in the process of winding up, when the distribution is not in accordance with liquidation rights of any class or classes, shall not be valid unless the proxy sets forth the general nature of the matter to be voted on.

d. **Revocability.** A validly executed proxy that does not state that it is irrevocable shall continue in full force and effect until (a) revoked by the member executing it before the vote is cast under that proxy, (i) by a writing delivered to the corporation stating that the proxy is revoked, (ii) by a subsequent proxy executed by that member and presented to the meeting, or (iii) as to any meeting, by the member's personal attendance and voting at the meeting, or (b) written notice of the death or incapacity of the maker of the proxy is received by the corporation before the vote under the proxy is counted; provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, except that the maximum term of a proxy shall be three (3) years from the date of execution. The revocability of a proxy that states on its face that it is irrevocable shall be governed by Section 7613 of the California Corporations Code.

## **Section 5. ELECTION OF DIRECTORS.**

a. **Nominations by Committee.** The Chairman of the Board, or the

President if there is no Chairman, shall appoint a committee to select qualified candidates for election to the Board at least one hundred twenty (120) days before the date of any election of directors. This nominating committee shall make its report at ninety (90) days before the date of election, and the Secretary shall forward to each member, with the notice of meeting required by Sections 1f(4)(a) and 1f(4)d(b) of these Bylaws, a list of all candidates nominated by committee under this Section.

b. **Nominations by Members (Corporations With 500 to 4999 Members).** If the corporation has 500 or more, but fewer than 5,000 members, members representing two percent (2%) of the voting power may nominate candidates for directors by a petition, signed by those members within eleven (11) months preceding the next time directors are to be elected, and delivered to an officer of the corporation. On timely receipt of a petition signed by the required number of members, the Secretary shall cause the names of the candidates named on it to be placed on the ballot along with the names of those candidates named by the nominating committee.

c. **Nominations by Members (Corporations With 5000 or More Members).**

d. **Nominations From the Floor.** If there is a meeting of members to elect directors, any member present at the meeting in person or by proxy may place names in nomination.

e. **Solicitation of Votes.** The Board shall formulate procedures that allow a reasonable opportunity for a nominee to communicate to members the nominee's qualifications and reasons for the nominee's candidacy and a reasonable opportunity for all members to choose among the nominees.

f. **Use of Corporate Funds To Support Nominee.** Without Board authorization, no corporate funds may be expended to support a nominee for director after more people have been nominated for director than can be elected.

## **ARTICLE V: DIRECTORS**

### **Section 1. POWERS.**

a. **General Corporate Powers.** Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and subject to any limitations in the Articles of Incorporation and Bylaws regarding actions that require the approval of the members, the corporation's activities and affairs shall be managed, and all corporate power shall be exercised, by or under the Board's direction.

b. **Specific Powers.** Without prejudice to the general powers set forth in Section 1.a. of these Bylaws, but subject to the same limitations, the directors shall have the power to:

(1) Appoint and remove at the pleasure of the Board all of the corporation's officers, agents, and employees; prescribe powers and duties for them that are consistent with the law, with the Articles of Incorporation, and with these Bylaws; and fix their compensation and require from them security for faithful performance of their duties.

(2) Change the principal office or the principal business office in California from one location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency, or country; conduct its activities within or outside California; and designate any place within or outside California for holding any meeting of members.

(3) Adopt and use a corporate seal; prescribe the forms of membership certificates consistent with the provisions of Section 7313 of the California Corporations Code; and alter the forms of the seal and certificates.

(4) Borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

**Section 2. NUMBER AND QUALIFICATION OF DIRECTORS.** The Board shall consist of at least three (3) but not more than ten (10) directors until changed by amendment to these Bylaws. The exact number of directors shall be fixed, within those limits, by a resolution adopted by the Board. The qualifications for directors are membership in good standing.

### **Section 3. ELECTION, DESIGNATION, AND TERM OF OFFICE.**

All directors shall be elected at each annual meeting of members to hold office until the next annual meeting; however, if any such directors are not elected at any annual meeting, they may be elected at any special members' meeting held for that purpose or by written ballot. Each such director, including a director elected to fill a vacancy or elected at a special members' meeting or by written ballot, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified.

### **Section 4. VACANCIES ON BOARD.**

a. **Events Causing Vacancy.** A vacancy or vacancies on the Board shall exist on the occurrence of the following: (a) the death or resignation of any director, (b) the declaration by resolution of the Board of a vacancy in the office of a director who has been declared or unsound mind by an order of court or convicted of a felony, or, if the corporation holds assets in charitable trust, has been found by a final order or judgment of any court to have breached a duty arising under Section 7238 of the California Corporations Code; (c) the vote of the members or, if the corporation has fewer than 50 members, the vote of a majority of all members, to remove any director(s); (d) the increase

of the authorized number of directors; or (e) the failure of the members, at any meeting of members at which any director or directors are to be elected, to elect the number of directors required to be elected at that meeting.

b. **Resignations.** Except as provided below, any director may resign by giving written notice to the Chairman of the Board, if any, or to the President or the Secretary of the Corporation. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the Board may elect a successor to take office when the resignation becomes effective.

c. **Filling Vacancies.** Except for vacancies created by removal of a director by the members, vacancies on the Board may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director. The members may fill any vacancy or vacancies not filled by the directors.

d. **No Vacancy on Reduction of Number of Directors.** No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

## **Section 5. DIRECTORS' MEETINGS.**

a. **Place of Meetings.** Meetings of the Board shall be held at any place within or outside California that has been designated by resolution of the Board or in the notice of the meeting or, if not designated, at the principal office of the corporation.

b. **Meetings by Telephone.** Any meeting may be held by conference telephone or similar communication equipment, as long as all directors participating in the meeting can hear one another. All such directors shall be deemed to be present in person at such a meeting.

c. **Annual Meeting.** Immediately after each annual meeting of members, the Board shall hold a regular meeting for purposes of organization, election of officers, and the transaction of other business. Notice of this meeting is not required.

d. **Other Regular Meetings.** Other regular meetings of the Board may be held without notice at such time and place as the Board may fix from time to time.

e. **Special Meetings.**

(1) **Authority To Call.** Special meetings of the Board for any purpose may be called at any time by the Chairman of the Board, if any, the President or any Vice President, or the Secretary or any two directors.

(2) **Notice**

(a) **Manner of Giving Notice.** Notice of the time and place of special meetings shall be given to each director by one of the following methods: (a) by personal delivery of written notice; (b) by first-class mail, postage prepaid; (c) by telephone, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; or (d) by facsimile. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the corporation.

(b) **Time Requirements.** Notices sent by first-class mail shall be deposited in the United States mails at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least forty-eight (48) hours before the time set for the meeting.

(c) **Notice Contents.** The notice shall state the time of the meeting, and the place if the place is other than the principal office of the corporation. It need not specify the purpose of the meeting.

f. **Quorum.** A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to the more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions between the corporation and one or more directors or between the corporation and any entity in which a director has a material financial interest, (b) creation or and appointments to committees of the Board, and (c) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

g. **Waiver of Notice.** Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the Minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the Minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

h. **Adjournment.** A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

i. **Notice of Adjourned Meeting.** Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned

for more than twenty-four (24) hours. If the original meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

**Section 6. ACTION WITHOUT A MEETING.** Any action that the Board is required or permitted to take may be taken without a meeting if all members of the Board consent in writing to that action. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the Minutes of the proceedings of the Board.

**Section 7. COMPENSATION AND REIMBURSEMENT.** Directors may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be determined by Board resolution to be just and reasonable as to the corporation at the time the resolution is adopted.

**Section 8. COMMITTEES.**

a. **Committees of Directors.** The Board may create one or more committees, each consisting of two (2) or more directors, to serve at the pleasure of the Board. The Board may delegate by resolution any of the authority of the Board, except that the Board shall not delegate and a committee shall not:

- (1) Fill vacancies on the Board or in any committee;
- (2) Fix compensation of the directors for serving on the Board or on any committee;
- (3) Amend or repeal these Bylaws or adopt new Bylaws;
- (4) Amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
- (5) Appoint any other committees of the Board or members of these committees;
- (6) Approve any self-dealing transaction (i) to which this corporation is a party and in which one or more directors has a material financial interest; or (ii) between this corporation and an entity in which one or more of this corporation's directors has a material financial interest.

b. **Meetings and Action of Committees.** Meetings and actions of committees of the Board shall be governed by, held, and taken in accordance with the provisions of Article VI of these Bylaws, concerning meetings and other Board actions, except that the time for regular meetings and calling of special meetings of committees may

be determined either by resolution of the Board, or if none, by resolution of the committee. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws, or if none, the committee may adopt such rules.

## **ARTICLE VI: OFFICERS**

**Section 1. NUMBER AND TITLES.** The officers of this corporation shall be a President, a Vice President, a Secretary, and a Treasurer. The corporation may also have, at the Board's discretion, a Chairman of the Board and such other officers with such titles and duties as shall be determined by the Board and as may be necessary to enable this corporation to sign instruments. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer shall serve concurrently as the President or the Chairman of the Board. The President shall be a member of the Board. The positions of the other officers may be held by members of the Board or by non-members of the Board.

**Section 2. APPOINTMENT.** The officers of this corporation shall be chosen by and shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment.

### **Section 3. DUTIES OF OFFICERS.**

a. **Chairman of the Board.** The Chairman of the Board shall preside at all meetings of the Board, if present, and shall exercise and perform such other powers and duties as may be assigned by the Board from time to time. If there is no President, the Chairman of the Board shall also be the general manager and Chief Executive Officer of this corporation, and shall have the powers and duties of the President prescribed by these Bylaws.

b. **President.** Subject to the powers of the Chairman of the Board, the President shall be the general manager and Chief Executive Officer of the corporation. Subject to the control of the Board, the President shall have general supervision, direction, and control of the activities, affairs, and other officers of this corporation. The President has the general powers and duties of management usually vested in the office of President and such other duties as may be required by law, by the Articles of Incorporation, by these Bylaws, or which may be prescribed from time to time by the Board.

c. **Vice President.** In the absence or disability of the President, the Vice President, if there is a Vice President, shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. The Vice President shall have such other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, by these Bylaws, or as may

be prescribed by the Board.

d. **Secretary.** The Secretary shall keep, or cause to be kept, at the principal office of this corporation, or such other place as the Board may order, a book of Minutes of all meetings of the Board and its committees, the Articles of Incorporation, and these Bylaws. The Secretary shall give, or cause to be given, notice of all meetings of the Board and any committees as required by law or these Bylaws. The Secretary shall perform such other and further duties as may be required by law or as may be prescribed or required from time to time by the Board.

e. **Treasurer.** The Treasurer is the Chief Financial Officer. The Treasurer shall keep and maintain, or cause to be kept and maintained, in written form or in any other form capable of being converted into written form, adequate and correct books and records of account of the properties and transactions of this corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses. The books and records of account shall at all times be open to inspection by any director of this corporation. The Treasurer shall deposit, or cause to be deposited, all moneys and other valuables in the name and to the credit of this corporation with such depositories as the Board may designate. The Treasurer shall disburse the funds of this corporation as the Board may order, and shall render to the Chairman of the Board and the directors, on request, an account of all transactions as Treasurer and of the financial condition of this corporation. The Treasurer shall perform such other and further duties as may be required by law, these Bylaws, or as may be prescribed or required from time to time by the Board.

**Section 4. RESIGNATION AND REMOVAL OF OFFICERS.** An officer may resign at any time on written notice to this corporation without prejudice to the rights, if any, of this corporation under any contract to which the officer is a party. An officer may be removed with or without cause by the Board, and also, if the officer was not chosen by the Board, by any officer on whom the Board may confer that power of removal.

## **ARTICLE VII: INDEMNIFICATION**

**Section 1. Definitions.** For the purpose of this Article,

a. **"agent"** means any person who is or was a director, officer, employee, or other agent of this corporation, or is or was serving at the request of this corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of this corporation or of another enterprise at the request of the predecessor corporation;

b. **"proceeding"** means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and

c. **"expenses"** includes without limitation attorneys' fees, costs, and any

other expenses incurred in establishing a right to indemnification under this Article.

**Section 2. ACTIONS BROUGHT BY THIRD PARTIES.** This corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding (other than an action described in Section 3 below) by reason of the fact that such person is or was an agent of this corporation, for all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of this corporation. In the case of a criminal proceeding, such person also must have had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of this corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

**Section 3. INDEMNIFICATION IN ACTIONS BY OR IN THE RIGHT OF THIS CORPORATION.** This corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of this corporation, or brought under Section 5233 of the California Nonprofit Mutual Benefit Corporation Law (self-dealing), or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of this corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of this corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. However, no indemnification shall be made under this paragraph:

a. In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to this corporation in the performance of such person's duty to this corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

b. Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

c. Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

**Section 4. INDEMNIFICATION AGAINST EXPENSES.** To the extent that an

agent of this corporation has been successful on the merits in the defense of any proceeding referred to in this Article, or in the defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with such defense.

**Section 5. REQUIRED DETERMINATIONS.** Except as provided in Section 4 of this Article, any indemnification under this Article shall be made by this corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 2 or Section 3 of this Article, by:

a. A majority vote of a quorum consisting of directors who are not parties to such proceeding; or

b. The court in which such proceeding is or was pending. Such determination may be made on application brought by this corporation, the agent, the attorney, or other person rendering services in connection with the defense, whether or not the application by the agent, attorney, or other person is opposed by this corporation.

**Section 6. ADVANCE EXPENSES.** Expenses incurred in defending any proceeding may be advanced by this corporation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount of the advance unless it is determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

**Section 7. LIMITATIONS.** No provision made by this corporation to indemnify its directors or officers for the defense of any proceeding, whether contained in the Articles of Incorporation, these Bylaws, a resolution of the Board, an agreement or otherwise shall be valid unless consistent with the California Nonprofit Mutual Benefit Corporation Law. Nothing contained in this Article shall affect any right to indemnification to which persons other than this corporation's directors and officers may be entitled by contract or otherwise.

**Section 8. FORMS OF INDEMNIFICATION NOT PERMITTED.** No advance or indemnification shall be made under this Article, except as provided in Section 4 or Section 5(b), in any circumstance where it appears:

a. That the indemnification or advance would be inconsistent with a provision of the Articles of Incorporation, these Bylaws, a resolution of the Board, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

b. That the indemnification or advance would be inconsistent with any condition expressly imposed by a court in approving a settlement.

**Section 9. INSURANCE.** This corporation shall have power to purchase and maintain insurance on behalf of any agent of this corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not this corporation would have the power to indemnify the agent against such liability under the provisions of this Article. However, this corporation shall have no power to purchase and maintain such insurance to indemnify any agent of this corporation for a violation of Section 5233 of the California Nonprofit Mutual Benefit Corporation Law (self-dealing), as amended from time to time.

**Section 10. NONAPPLICABILITY TO FIDUCIARIES OF EMPLOYEE BENEFIT PLANS.** This Article does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in such person's fiduciary capacity, even though such person may also be an agent of this corporation as defined in this Article. This corporation shall have power to indemnify such trustee, investment manager, or other fiduciary to the extent permitted by the Section 207(f) of the California General Corporation Law, as amended from time to time.

## **ARTICLE VIII: CONSTRUCTION AND DEFINITIONS**

Unless the context requires otherwise, the general provisions, rules of construction, and definitions contained in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

## **ARTICLE IX: AMENDMENTS BY BOARD**

These Bylaws may be adopted, amended, or repealed by majority vote of a quorum of authorized directors.

**CERTIFICATE OF SECRETARY**

**OF**

**CLUB MAC OF MONTEREY**

a California Nonprofit Mutual Benefit Corporation

I hereby certify that I am the duly elected and acting Secretary of this corporation and that the foregoing Bylaws comprising of twenty one (21) pages including this page, constitute the Bylaws of the corporation as duly adopted at an action by written consent of directors on April 4, 1994.

Dated: April 4, 1994

Pat McCornack  
Pat McCornack, Secretary

